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C O N F I D E N T I A L SECTION 01 OF 04 BRASILIA 001320

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SUBJECT: AMB. SUSAN BURK MEETS WITH BRAZILIANS IN PREPARATION FOR 2010 NPT REVIEW CONFERENCE

Classified By: Charge D'Affaires Lisa Kubiske for reasons 1.4 (b) and (d).

REF: A) BRASILIA 1261, B) BRASILIA 1141

¶1. (C) SUMMARY. During meetings in Brasilia on October 28, Special Representative of the President for Nuclear Non-proliferation Susan Burk garnered support from Brazilian counterparts for the U.S. approach to the 2010 Non-Proliferation Treaty (NPT) review conference. The Brazilian Ministry of External Relations and Ministry of Defense both strongly endorsed the concept of advancing all three pillars of the NPT: disarmament; non-proliferation; and peaceful use of nuclear technology. Sensitivities over Brazil signing an Additional Protocol and the proposal for nuclear fuel banks were recognized, but did not appear to be significant obstacles to cooperation at the review conference. Following consultations in capital, Amb. Burk travelled to Rio de Janeiro where she provided the keynote address to the first major international nonproliferation conference in Latin America. END SUMMARY

¶2. (SBU) In meetings with key Government of Brazil (GOB) officials on October 28 in Brasilia, the Special Representative of the President for Nuclear Non-proliferation, Ambassador Susan Burk, advanced the agenda of the U.S. Government (USG) in preparation for the 2010 Non-Proliferation Treaty (NPT) review conference (RevCon). (REFTEL A.) The Brazilians were interested in the topic, well-informed, and appreciative of the opportunity to have an open and frank discussion with the USG.

¶3. (U) Building on President Obama's speech on nonproliferation in Prague and Secretary Clinton's recent speech on nonproliferation at the U.S. Institute for Peace, Amb. Burk sketched out the USG vision for the 2010 NPT RevCon. She stressed in her meetings with Brazilian officials the need to make progress on the three pillars of the NPT: disarmament; non-proliferation; and peaceful use of nuclear technology. On disarmament, she outlined the USG's efforts, particularly the START disarmament negotiations with Russia, plans to ratify the Comprehensive Test Ban Treaty (CTBT), and negotiating a Fissile Material Cutoff Treaty (FCMT). With respect to non-proliferation, she emphasized the need to strengthen the safeguards regime, especially in light of the current regime's failure to uncover the undeclared nuclear facilities in Iran and Syria. The NPT RevCon should look at the issue of withdrawal, particularly in cases where state party is not in compliance. Burk foresaw a "nuclear energy renaissance" and so the peaceful use pillar is significant. President Obama wants to see that the International Atomic Energy Agency (IAEA) has the resources and authorities to play its role, she explained. We want to see a safe, reliable and secure

nuclear sector; this means there will need to be accountability with increasing use of nuclear technology. Burk said that the USG wanted to know Brazil's priorities and concerns and also sought the GOB's advice on how to make progress at the RevCon, especially in working with other groups.

GOOD REACTION FROM MINISTRY OF EXTERNAL RELATIONS

¶4. (C) The Ministry of External Relations Under Secretary for Political Affairs, Ambassador Vera Machado, stated that Amb. Burk was "using my talking points" with the emphasis on making progress on all three pillars at the REVCON. Machado said that the GOB "in principle is very close to the U.S. position" and it "will have a constructive attitude for the" 2010 NPT REVCON. Machado noted that she was pleased by President Obama's non-proliferation speech in Prague and the UN Special Session on nonproliferation. The GOB considered the 2000 NPT REVCON to have been very successful, but not the 2005 conference.

¶5. (C) U/S Machado and Amb. Burk had a cordial discussion about two sensitive nonproliferation issues: the IAEA Additional Protocol and the proposals for nuclear fuel banks. Burk recognized that the GOB may not yet be ready to sign an IAEA Additional Protocol, still she underscored that the USG considered the Additional Protocol as a measure to provide greater confidence in the safeguards regime. Burk noted that the U.S. Senate had ratified its Additional Protocol. While the GOB is considering the issue, Burk urged the GOB to consider supporting a consensus that the Additional Protocol can be a valuable tool. She mentioned National Security Advisor Jim Jones' offer to have technical experts come to the United States to discuss the Additional Protocol with USG experts. U/S Machado said that the

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issue of the Additional Protocol is under discussion in Brazil, but she didn't know when the GOB might be ready to sign one. Machado stated that the proposal to send experts to the United States was a good idea.

¶6. (C) COMMENT. The sensitive nature of the Additional Protocol issue was highlighted at the international non-proliferation conference in Rio de Janeiro that Amb. Burk attended after her meetings in Brasilia. In response to a blunt challenge from speaker Pierre Goldschmidt that Brazil sign an Additional Protocol, a series of agitated Brazilian attendees responded in nationalistic terms, including likening such a step to "unilateral capitulation" to the nuclear weapons states. These Brazilians expressed the view that this measure signaled a profound lack of trust in Brazil - even though the Brazilian constitution explicitly prohibits nuclear weapons - and also pointed to the imbalance in the efforts on disarmament compared to those on non-proliferation under the NPT. Former Deputy Minister of External Relations, Ambassador Marcos de Azambuja, voiced concern about the pressure on Brazil to sign an Additional Protocol. Later, on the margins of the conference, Amb. Azambuja came to Amb. Burk to tell her in confidence that the GOB will eventually sign an Additional Protocol. END COMMENT.

¶7. (U) On fuel banks, Amb. Burk said that the USG believes that they can help. The likely increase in demand for nuclear fuel shouldn't mean that every country needs to or should produce its own fuel. U/S Machado said that the GOB still has the fuel banks proposals under consideration. However, they still had questions about the political and economic aspects of the various proposals. (NOTE: In REFTEL B, Ministry of External Relations staff voiced concerns about possibly restricting a country's right to nuclear technology for peaceful purposes and also about under what criteria a country could draw on such a fuel bank. END NOTE.)

¶8. (C) U/S Machado wanted to know more about the Nuclear Security Summit convoked by President Obama. She wondered how it related to the 2010 NPT RevCon. Amb. Burk explained that the Nuclear Security Summit is a separate event (non-NPT parties will participate), but it is a complement to the RevCon. Machado wondered about how India and Pakistan could be inserted into the NPT. Burk indicated that we can't realistically see them joining as non-weapons states in the foreseeable future, however, we should be attempting to get them closer to the non-proliferation norms.

¶9. (C) U/S Machado raised Iran and asked for an update on the negotiations with Iran to ship processed uranium to the IAEA for processing into fuel for Iran's research reactor. She said the Iranian President Ahmadinejad was coming to Brazil and that she expected President Lula to encourage Iran to take confidence building measures. She commented that Lula and Ahmadinejad have a good chemistry and that he listens to Lula. Further, she added that Lula was pressing Iran to stop demonizing the other parties. Machado said that in the last ten years Iran hasn't been following the rules and needs to work to rebuild international confidence in its nuclear program.

CAUTIOUS RESPONSE FROM DEFENSE MINISTRY

¶10. (C) At the Ministry of Defense, Amb. Burk met with the Director of the International Affairs Department, Air Force Lt. General Marcelo Mario de (Holanda) Coutinho, and his team of advisors. Specifically about the RECON, Holanda said that the GOB supports progress on all three pillars of the NPT. He added that the United States has an ally in Brazil on non-proliferation matters. The GOB was ready to cooperate and try to advance non-proliferation matters. Holanda stressed that the Defense Ministry was part of the interagency group that handled nuclear matters, but that the Ministry of External Relations had the lead and spoke for the GOB at international organizations. He added that he and his team were technical experts, and that decisions were made above him at the political level. He noted that the technical experts in the GOB had a difficult time obtaining political level buy-in on non-proliferation matters, especially when the political leaders viewed the matters as penalizing Brazil. (COMMENT. He presumably was alluding to the GOB signing an Additional Protocol and/or supporting nuclear fuel banks. END COMMENT.)

¶11. (C) Gen. Holanda took a broad brush to Brazil's nuclear history, though he skipped over the darker parts where the GOB has a weapons

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program during the military dictatorship. Brazil is a leader on non-proliferation, he stressed, pointing to the Brazilian constitution which prohibits nuclear weapons, the long record of inspections under the Argentine-Brazil entity called ABACC, and Brazil's signing in 1967 the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (commonly called the Treaty of Tlatelolco). He brought up recent remarks by Vice President Jose Alencar indicating that Brazil would be better off with nuclear weapons, and emphasized that these comments should be ignored and certainly are contrary to the GOB's policy. He shrugged off Alencar's remarks as mere loose talk by a politician, who sometimes say whatever comes to mind.

¶12. (C) Gen. Holanda said that Brazil was determined to expand and develop its nuclear energy sector and this was reflected in the 2008 National Defense Strategy. While supportive of non-proliferation efforts in general, the GOB would not accept measures that would "penalize" Brazil. Holanda emphasized that given its excellent non-proliferation record, Brazil deserves differential treatment. The GOB would not accept measures that would "close the door" on its ability to expand its peaceful use of nuclear energy sector, he underscored. For Holanda, it was hard to reconcile the treatment of India and Pakistan, which didn't respect international regimes, and the treatment intended for Brazil. While on the theme of Brazil being penalized, Holanda said that the USG in the past had "penalized" Brazil by prohibiting the sale of Super Tucano aircraft (which contained U.S. sensitive technology) to Venezuela.

COMMENT

¶13. (C) Amb. Burk's meetings with the Ministry of External Relations and the Defense Ministry were positive and served to encourage greater cooperation by Brazil. While not ignoring the sensitive issues of the Additional Protocol and nuclear fuel banks, there was a focus on the bigger picture of strengthening the NPT and advancing all three pillars. This message resonated very well with Brazilian interlocutors. END COMMENT.

REVISITING SOME FAMILIAR THEMES IN RIO

¶14. (SBU) Amb. Burk travelled to Rio de Janeiro to provide the keynote address to the first major international nonproliferation conference sponsored by Centro Brasileiro De Relacoes Internacionais (CEBRI) and the Argentina-based Nonproliferacion para la Seguridad Global (NPS Global). The two day event, entitled, "Nonproliferation and Nuclear Disarmament: The Future of the NPT" featured 5 panels addressing the three pillars of the Treaty- nonproliferation disarmament and peaceful use, as well as discussions on its usefulness and effectiveness as the cornerstone of the nonproliferation regime.

¶15. (SBU) Presentations and remarks were provided by regulars in the nonproliferation community, such as Rebecca Johnson of the UK-based Acronym Institute; Vladimir Orlov of the Russian-based PIR Center; Sergio Duarte, the UN High Commissioner for Disarmament; Rolf Ekeus, formerly with UNSCOM; Pierre Goldschmidt of Carnegie Endowment for International Peace; and Olli Heinonen, the head of safeguards at the IAEA; and Gareth Evans, head of the International Nonproliferation and Disarmament Commission. Joseph Cirincione of the Ploughshares Fund, another fixture, was sponsored by the Rio Consulate, and provided a dynamic and well-received multi-media presentation on the "Transformation of American Nuclear Policy," explaining some of the changes and challenges of the Obama Administration.

¶16. (SBU) The conference featured a distinctly Latin American flavor, highlighting presentations by several key diplomats from the region including Alfredo Labbe of Chile, as well as Rafael Grossi and Gustavo Ainchil of Argentina. In his remarks, Labbe advocated for the AP and international fuel assurances, noting that Chile has no need for a nuclear program, however requires access to nuclear energy and fuel. He stressed the criticality of investing in an incentives based approach to creating a fuel bank, noting that "peaceful uses will remain after all nonproliferation and disarmament objectives have been reached". Grossi highlighted the success of the regional safeguards organization ABACC, and the role of Latin America as a leader on nonproliferation and disarmament, suggesting Argentina and Brazil should be a model by "giving the world a wonderful idea of how to do things."

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¶17. (SBU) In a panel on disarmament, B.S. Prakash, Indian Ambassador to Brazil, emphasized that India "has always agreed in a world without nuclear weapons" but does not believe in the NPT. He explained that by not joining the NPT, India has endured enormous costs, however not because of its proliferation activities. He asserted India was responsible player on disarmament because of its interest in a nuclear weapons convention and an FMCT, as well as its unilateral moratorium on testing. Vladimir Orlov, also on the panel, chided Prakash, noting that to demonstrate progress on disarmament, India should be more in line with the P5, and should act as an NPT party.

¶18. (SBU) The penultimate event of the conference was a provocative panel chaired by Gareth Evans, examining whether the NPT should improved or substituted, perhaps with an alternate regime. Evans expressed his support for the current regime and discussed his highly anticipated report, in which his 20-point plan will be "idealistic but realistic; ambitious but pragmatic." He acknowledged the role for a nuclear weapons convention, an alternative regime suggested by another speaker, explaining that such an agreement should not supplant the NPT, at least in the near term. Pierre Goldschmidt, another panel participant and former IAEA head of safeguards, asserted that the NPT should be fully implemented and enforced, stressing the role of the IAEA and the Additional Protocol. He explained that only six countries with significant nuclear activities had not signed the Additional Protocol, singling out Argentina and Brazil. He explained that without an Additional Protocol, Brazil was indirectly supporting noncompliant countries like Iran and Syria. He claimed that Brazil's constitution, which forbids the development of nuclear weapons, does not provide adequate assurance to the international community, and went on to quote several unpopular Brazilian politicians to indicate Brazil may have intentions otherwise. These suggestions prompted a strong reaction from

participants, with Sergio Duarte and Ambassador Marcos de Azambuja, the head of CEBRI, jumping into the discussion to defend Brazil's record. Marcos de Azambuja explained that he supported the Additional Protocol, but Brazil viewed it as a concession, and was "holding out" on behalf of all Non-Nuclear Weapons States, though he could not specify what for.

ENDING ON A HIGH NOTE

¶19. (U) The conference concluded with a keynote address by Amb. Burk in which she outlined the USG's agenda for strengthening the nonproliferation regime, and her thoughts for a successful 2010 NPT Review Conference. She acknowledged Brazil as a model for a country that has steered away from nuclear weapons and has instead pursued a path towards using nuclear energy. In her remarks, Burk underscored the importance of a balanced review of all three pillars of the NPT, the concept of reciprocal responsibilities, and the need for States Parties to constructively approach the Review Conference as an opportunity to provide momentum to other related efforts and fora. The positive and encouraging message she delivered, contrasted sharply with the tone of the previous panel, was well-received and gave further boost to perception that the United States strives to be a constructive player in multilateral fora.

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